

# **Statewide Rule 32: Flaring/Venting of Produced Gas**

**Presenter: Rick Behal**

# Statewide Rule 32



Texas Administrative Code (TAC)  
Title 16, Part 1, Chapter 3  
§3.32

Gas Well Gas and Casinghead Gas Shall  
Be Utilized for Legal Purposes

01/22/2014

# RRC Mission

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Our mission is to serve Texas by our stewardship of natural resources and the environment, our concern for personal and community safety, and our support of enhanced development and economic vitality for the benefit of Texans.

# Session Description

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- Exemptions from the rule
  - When does SWR 32 not apply? No metering required!
- Authorized Flaring and Venting (PBR)
  - Flaring without a permit under special conditions. Meter all gas and report on Production Report.
- Flaring Exceptions (permits)
  - What is required for an exception and what does it do for an operator?
- Other Information and statistics

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## Introduction

Gas must be used for lease operations or sold if it can be readily measured by devices (meters) routinely used in the operations of oil wells, gas wells, gas gathering systems or gas plants.



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## Exemptions

- Tank vapors from:
  - crude oil storage tanks
  - gas well condensate storage tanks
  - salt water storage tanks
- Fugitive emissions of gas
- Amine treater, glycol dehydrator flash tank, and/or reboiler emissions
- Blowdown gas from gas handling equipment for construction, maintenance or repair

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## Exemptions

- Gas purged from compressor cylinders or other gas handling equipment for startup
- Gas released:
  - at a well site during drilling operations prior to the completion date of the well must be separated from drilling fluids using a mud-gas separator, or mud-degasser
  - During completion or re-completion (hydraulic fracturing)

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## Gas releases to be flared or vented

- The Commission may require flaring of releases of gas not readily measured if the Commission determines that flaring is required for safety reasons (e.g. high concentrations of H<sub>2</sub>S).
- All gas releases >24 hours duration shall be burned in a flare, if the gas can burn safely
- All gas releases of <24 hours duration may be vented to the air if not required to be flared for safety reasons (contact District Office for verification)

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## Gas Releases Authorized by Rule

Authorized gas releases during production operations must be measured (metered) and be reported on monthly Production Reports. **Flaring beyond the limits set in the following scenarios requires an exception (permit) to be granted.**

- Produced gas not to exceed **10** producing days after initial completion, recompletion in another field, or workover in the same field.
- Gas that must be unloaded from a well may be vented up to **24 hours** in one continuous event or up to **72 cumulative hours** in one month

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## Gas Releases Authorized by Rule (cont.)

- Gas from a lease production facility may be released for up to **24 hours** in the event of a pipeline or gas plant upset.
- Gas contained in waste stream from molecular sieve or membrane gas treatment unit, provided at least **85%** of inlet gas is recovered and directed to legal use
- **Low pressure separator** gas, up to **15 mcf** for gas wells, **50 mcf** for oil leases or commingled points (gas must pass through separator, heater-treater, free-water knockout, or other low-pressure equipment prior to release)

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## Gas Releases from gas gathering system or gas plant

- May be released for up to **24 hours** in the event of a pipeline or gas plant upset. Notify the local District Office as soon as reasonably possible after release begins.
- If gas plant operator presents information that shows necessity of release is justified beyond **24 hours**, operator may continue to flare gas. Operator must file exception request within **one business day** after first **24 hours** of release.

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## Exceptions (a.k.a. “Flare Permits”)

- Exceptions are good for 45 days up to a total of 180 days
- May be indefinitely approved administratively with adequate justification if less than 50 mcf/day
- Exceptions for more than 180 days may only be granted through a final order (hearing) signed by the Commission.

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## Exceptions

- Documentation **required** for permanent exception
  - cost benefit analysis
  - map showing nearest pipeline capable of accepting gas
  - estimate of gas reserves
- Fee of **\$375.00** per gas well, oil lease, or commingled vent/flare point
- Exception may be sent by fax or email, provided a signed original request, accompanied with fee, is received by Commission within **3** business days

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## Exceptions

- If additional time is requested, operator must re-file within **21 days BEFORE** the expiration of existing exception.
- If re-filed within **21 days**, the operator is authorized to continue flaring/venting until final approval or denial of the requested permit extension.
- If operator files for extension less than **21 days** before expiration or after expiration of the permit, continues to flare during processing of request and the request is denied, operator **may be subject to administrative penalties**



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## Exceptions

- Not transferable upon a change of operatorship
- Operator has 90 days to re-file the exception once the P-4 transfer has been approved

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## Additional information

- An automated system check for permits if flaring is indicated on Production Reports
  - If flaring production is not permitted, operator will automatically be sent a Notice of Violation (30 days), a Notice of Intent to Sever by certified mail (30 days), and then a severance letter, if compliance is not achieved.
- A permit extension may be denied if no progress is made to eliminate necessity for flaring.

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## January 2014 Notice to Industry

- ...unauthorized venting or flaring of gas may constitute waste. SWR 32 prohibits venting or flaring of gas under certain conditions unless authorized by the Commission. ... Any venting/flaring of casinghead gas or gas well gas not authorized by SWR 32 or by permit may be subject to administrative penalty action.
- An operator whose application to vent or flare gas is denied in whole or in part has the right to request a hearing before the Commission.

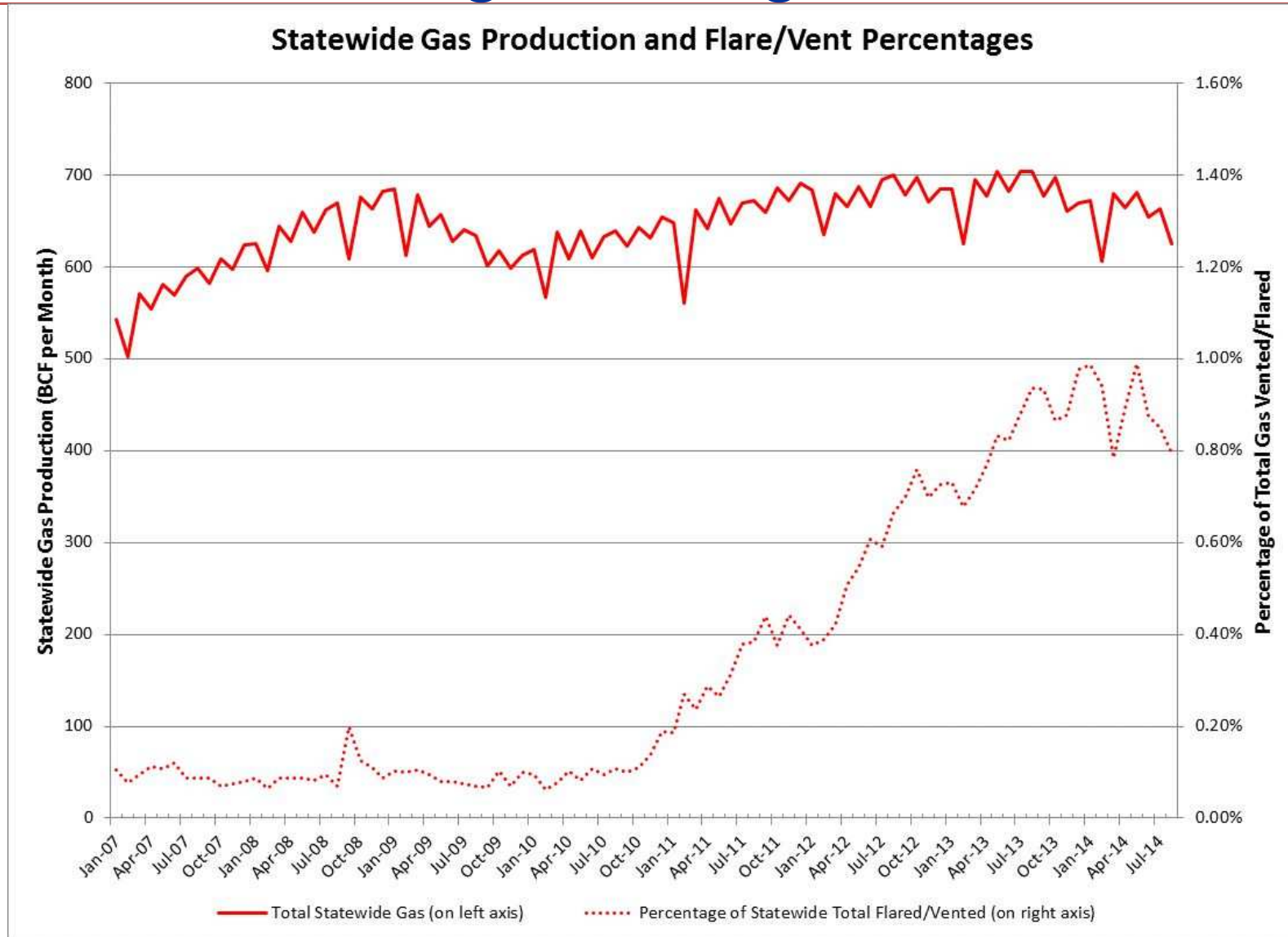
# Flaring Permits



FISCAL YEAR	FLARE PERMITS ISSUED
2015	5,689
2014	4,801
2013	3,012
2012	1,963
2011	651
2010	306

To put these numbers in context, Texas currently has more than **193,000** producing oil wells, so flaring involves just a small fraction of the state's oil wells.

# Statewide Flaring Percentage



**Approximately 0.8% produced gas is flared/vented on average.**

## Flaring Regulation

Why does RRC allow flaring?

Why does RRC grant extensions to flaring permits?

Does the Commission allow long-term flaring?

Does the Commission track how much has been flared?

How many flaring permits have been issued in Texas?

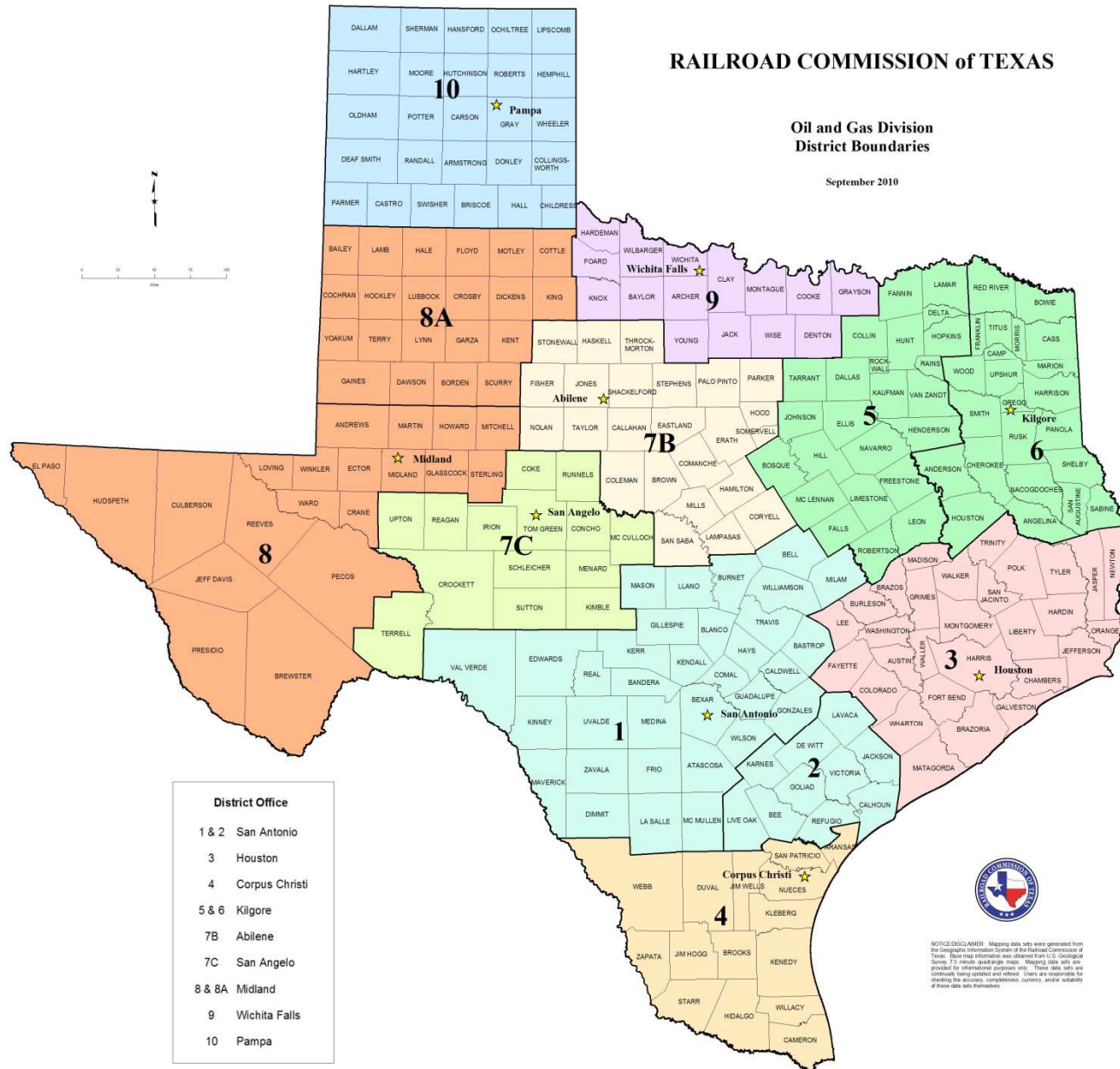
What percentage of total gas is reported flared?

How does RRC regulate flaring?

## Flaring Frequently Asked Questions:

<http://www.rrc.texas.gov/about-us/resource-center/faqs/oil-gas-faqs/faq-flaring-regulation/>

# District Offices

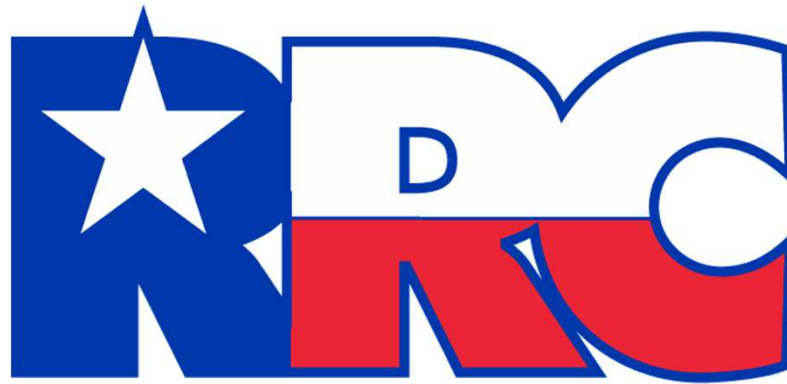




# District Offices



<u>District</u>	<u>City</u>	<u>Address</u>	<u>Phone</u>
1 & 2	San Antonio	115 East Travis St, Suite 1610 San Antonio, TX 78205	(210) 227-1313
3	Houston	1706 Seamist Dr, Suite 501 Houston, TX 77008	(713) 869-5001
4	Corpus Christi	10320 IH 37 Corpus Christi, TX 78410	(361) 242-3113
5 & 6	Kilgore	2005 North State Highway 42 Kilgore, TX 75662	(903) 984-3026
7B	Abilene	3444 North First St, Suite 600 Abilene, TX 79603	(325) 677-3545
7C	San Angelo	622 South Oakes St, Suite J San Angelo, TX 76903	(325) 657-7450
8 & 8A	Midland	10 Desta Dr, Suite 500 E Midland, TX 79705	(432) 684-5581
9	Wichita Falls	5800 Kell Blvd, Suite 300 Wichita Falls, TX 76310	(940) 723-2153
10	Pampa	200 West Foster, Room 300 Pampa, TX 79065	(806) 665-1653



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